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SUBJECT: MEDIA REACTION: U.S. ECONOMY

TOPIC: U.S. economy

HEADLINES AND EXCERPTS:

"Stock market relies on money, not on what Obama says"

The independent Chinese-language Hong Kong Economic Times commented in an editorial (7/31): "President Obama said yesterday morning that the U.S. may be seeing the beginning of the end of the recession. Obama's remarks are more political behavior than economic judgment. They will help to stabilize public confidence. Nevertheless, even if the recession has come to an end, the economy may still linger at the bottom for a long time. As for the stock market, big fluctuations will continue due to the influx of money.... Obama, of course, has his political considerations. But all sectors hope that his remark will come true and that the U.S. recession will be over soon. The whole world will then recover. However. . .the U.S. unemployment rate will continue to rise for a few months, even after the recession. Americans need to reduce consumption and increase savings in order to cut their debts and rebuild healthy finances. Thus the U.S. economy will lack strong consumption momentum. Even if the recession ends, the U.S. economy will still linger at the bottom for half a year, or even longer."

DONOVAN